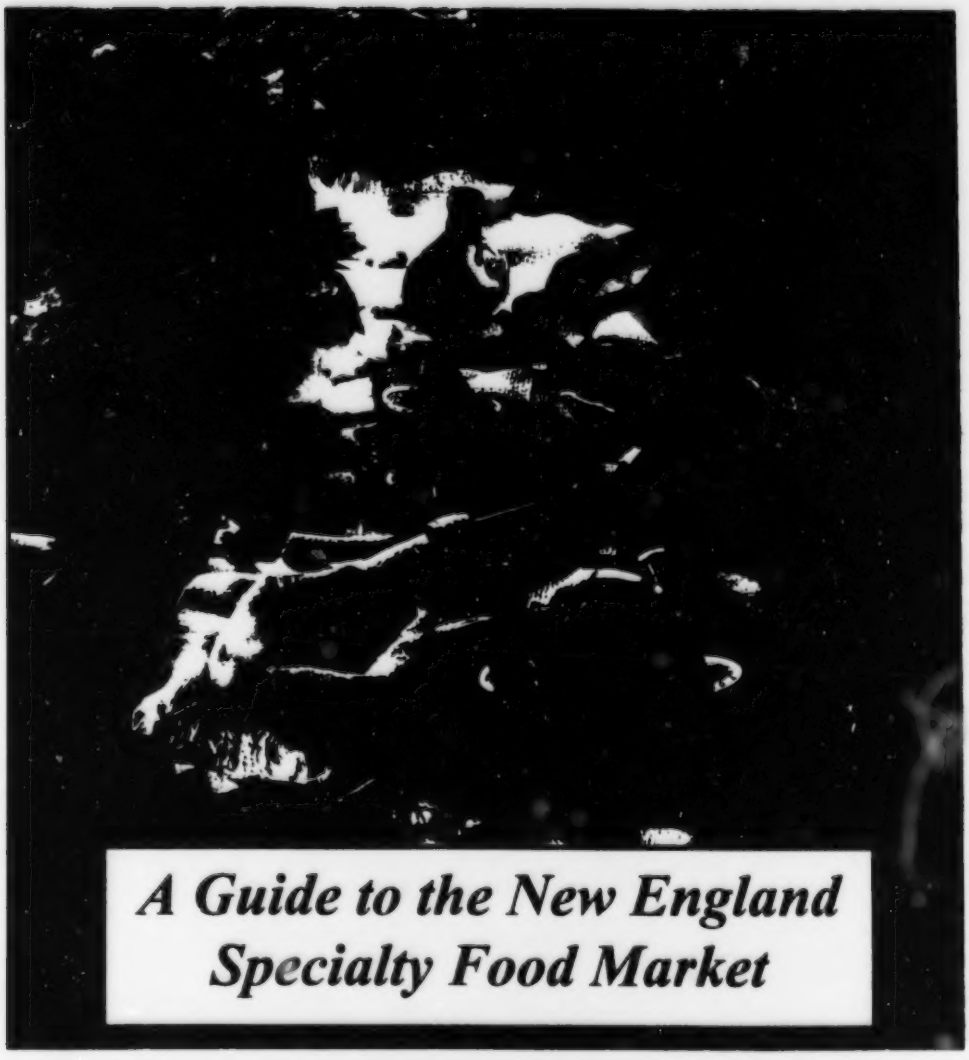

A Guide to the New England Specialty Food Market

Prepared by:

Chris Pharo
Sr. Marketing and Trade Officer
Market and Industry Services Branch
Prince Edward Island, Canada
Agriculture and Agri-Food Canada

Colette Lekborg
Commercial Officer
Canadian Consul General - Boston
Dept. of Foreign Affairs & International Trade

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Government of Canada Gouvernement du Canada

Executive Summary:

This report is intended to provide Canadian exporters with a general overview of the New England specialty food market. The information in this guide is drawn from secondary sources and interviews with a select number of retailers, distributors, restauranteurs and brokers which were conducted in October/November of 1999.

Several major themes emerged from these consultations which have implications for potential Canadian exporters of specialty products to New England.

Key Market Characteristics

- According to the National Association of Specialty Food Trade (NASFT), New England is one of the regions in the US with the highest per capita consumption of specialty foods. This is fueled by a vibrant economy characterized by high levels of employment and disposable incomes.

- Food trends in the United States generally migrate from the west coast to the east coast with the Boston market being approximately one year behind trends in New York City.

- The New England specialty food market is very competitive. The region has a vibrant and diverse specialty food industry which produces a wide range of products that are often viewed as being characteristic of Canada (e.g. maple, blueberry, cranberry products).

- Retailers expressed a high degree of loyalty to locally produced products.

Canadian Presence and Perception of Canadian Products

- A small number of the companies interviewed carried Canadian products. Some of these products included chanterelle mushrooms, maple products, ice wine, cookies, lingonberries, specialty breads and cheeses (6 year old cheddar), foie gras and fresh/frozen vegetables.

- The perception of Canada and Canadian products ranged from neutral to positive.

- Several companies indicated that they don't carry Canadian products not because of a negative experience or view of them, but because they have never been approached by Canadian suppliers or their representatives.

- Representatives indicated that they would welcome more information on what specialty products were available from Canada.

- The popular image of Canada and Canadian products as being "clean, pure, pristine, etc." was not mentioned by any of the representatives interviewed. Several indicated that they viewed Canada as an extension of the America market.

Opportunities for Canadian Products

- The New England specialty food market is relatively untapped for Canadian suppliers of high quality, innovative products with superior packaging. Retailers and distributors indicated they would welcome more contact with Canadian suppliers with new and different products.

- Growing specialty food categories include: cookies/biscuits, specialty meats (venison, quail), snack foods(nuts, candies), bread/dipping oils and jams and preserves on a seasonal basis. Products that can claim "natural" status (no preservatives, no refined sugar, etc.) are also doing very well.

- Canadian specialty breads with "French style" recipes are well received in this market and are recognized for their quality ingredients.

- Foie gras and specialty mushrooms are presently very popular in the foodservice trade.

- New and different specialty produce with interesting visual appeal and good flavour such as fingerling potatoes, purple coloured carrots and striped (candy cane) beets are continually being sought out by high end restaurant chefs who have considerable influence in setting foodservice trends.

Market Entry Considerations

- Product differentiation is a key ingredient to successful penetration into this market. Significant points of difference may include innovation, uniqueness and superior quality and packaging.

- There are many different channels of distribution available to the Canadian supplier such as retail distributors, wholesalers, foodservice distributors and direct selling to retail outlets.

- Retailers often use a combination of methods in sourcing product including buying direct from suppliers and using distributors and manufacturers' representatives or brokers.

- High costs of transporting small volumes of product from Canada to US may necessitate consolidation of shipments in Canada in order to remain competitively priced in the retail outlet.

- Exhibiting at trade shows should be an important component of potential exporters' market penetration strategy. Trade shows and, in particular, the New York Fancy Food Show, are highly attended by New England retailers, distributors and brokers. These events are viewed as a very effective means of discovering and sourcing new products.

- Although FDA exemptions to nutritional labeling are available to small processors, nutritional information on product packaging is considered to be desirable as the specialty food consumer is generally highly educated and seek nutritional information.

- Shelf stable products such as biscuits, cookies, fudge, confectionary, etc. should have a minimum 3- month shelf life in order to be successful in this market.

Volumes and Quality Standards

- The New England specialty food market presents opportunities for the small scale Canadian supplier. None of the retailers and distributors interviewed had minimum volume requirements and ordered in case and pallet-sized shipments on a regular basis. Consistency in supply was, however, very important to the retailer.

- The retailers interviewed did not have any formal quality standards or requirements for vendors although HACCP certification was viewed by the larger retailers and distributors as being desirable.

Next Steps

- This guide is intended to only provide an overview of the major issues to consider when assessing the potential of this market for your product. There are many additional sources of information referred in this guide which should be of assistance as well.

- Finally, it is recommended that, once secondary research has been completed, prospective exporters should contact the Canadian Consulate General in Boston for further advice and assistance.

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1.0 Project Scope and Description:

Although no standard definition for "specialty foods" exists, it is generally accepted in the trade that a specialty food can be defined by one or more of the following characteristics - **premium quality, uniqueness, presentation** (branding and/or packaging) and **distribution channel.**

Therefore, for the purposes of this overview, specialty food is defined by the definition used by the Canadian Association of Specialty Foods (CASF):

"Premium quality foods of some uniqueness with good presentation and select distribution".

In order to better understand the specialty foods market in New England and the opportunities it may present to Canadian suppliers, the Market and Industry Services Branch of Agriculture and Agri-food Canada, in cooperation with the Canadian Consulate General in Boston carried out secondary research supplemented with series of personal, on-site interviews with a number of companies representative of the various segments of the industry. These companies represented gourmet retailers, distributers, larger chain retailers, importers and manufacturers representatives.

For contact information and addresses of the companies interviewed please refer to Appendix A.

A series of questions were posed during each interview relating to how Canadian products were perceived, opportunities for Canadian product, market entry considerations, how products were sourced, requirements in terms of volumes and quality standards and key characteristics of the New England specialty food market.

2.0 Market Overview

The New England area, which comprises the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut is an attractive market for Canadian suppliers of food products due to its large population of 13.7 million people, geographic proximity to Canada and a favorable exchange rate. The region is also benefitting from one of the healthiest and longest economic expansions in its history resulting in high disposable incomes and a low unemployment rate. New England's unemployment rate of 3.2% is among the lowest of any region in the United States. These favorable economic conditions makes it, according to the National Association of Specialty Food Trade (NASFT), one of the regions of the US with the highest per capita consumption of specialty food products.

3.0 Market Opportunities for Canadian Suppliers

3.1 Perception/Presence of Canadian Products

Canadian specialty products were difficult to find on the shelves of retailers. The retailers and distributors who participated in this research project indicated the lack of presence of Canadian product did not necessarily reflect a bias against Canadian product but suggested it was the result of

not having been approached by Canadian suppliers or their representatives. As a consequence, many had little knowledge of Canadian specialty food suppliers and products. However, several indicated that they would welcome the opportunity to be exposed to more Canadian product.

When asked about their perception of Canada and Canadian food products most responded in a neutral to positive manner. Once again, several knew little about Canada in general and the specialty food industry in particular. The common characteristics associated with Canada such as "clean, pure, pristine" were not mentioned by any of the companies interviewed.

Canadian baked goods such as specialty breads are highly regarded due to what was described as the use of "French" style recipes and the quality of raw ingredients. Other Canadian products that were present in this market were biscuits, blueberries, lingonberries, chanterelle mushrooms, specialty cheeses (i.e. Oka, aged cheddar) and frozen baby vegetables for the restaurant trade.

Companies with experience with Canadian suppliers indicated they enjoyed doing business with them but stressed it was very important for suppliers to honor commitments in order to maintain long-term relationships.

3.2 Market Trends:

The New England specialty food consumer is searching for new and innovative products. Freshness is always important but convenience, in the form of microwavable products, is becoming significant as well. Retailers are also noting a growing demand for "single serve" portions which appeal to the single working individual. The New England specialty food consumer is also becoming more health conscious and placing more importance on nutrition. This, of course, means market opportunity for products that make claims such as "no preservatives", "no artificial sweeteners", "no added sugar", etc. Products that combine the qualities of convenience and wholesomeness will likely be successful. Equally important to note is that the specialty food consumer does not appear to be willing to sacrifice quality, taste or flavour for convenience.

Indulgence as a counter trend to health consciousness is also apparent in this market as products such as gourmet/organic ice cream, foie gras and specialty cheeses grow in popularity.

Generally, trends in the American specialty foods market tend to be set on the west coast and migrate east. In this connection, the NASFT Winter Fancy Food Show held in San Francisco is regarded as a venue where new trends in specialty foods are often introduced to North America. The Boston area is also considered to be one year behind trends in New York City. Specifically, the following specialty products were mentioned by representatives as having significant potential in the New England area:

- foie gras;
- convenience, microwavable frozen meals;
- specialty meats (quail, venison, squab)
- snack foods/impulse items - nuts, candies, chips, cookies (minimum 3 month shelf life)

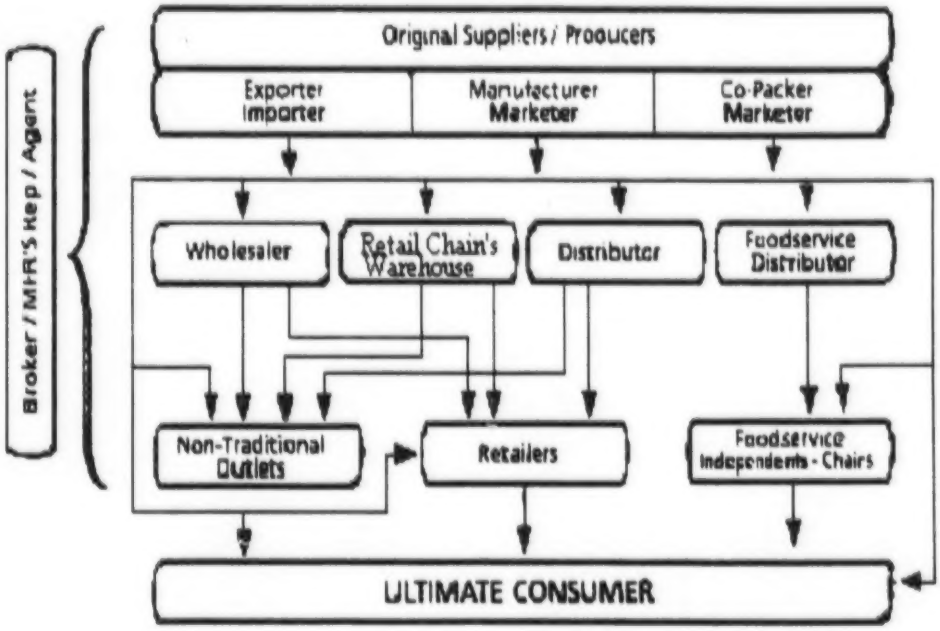
- dipping oils
- "natural" products (no preservatives, no refined sugar, artificial colour or flavours, etc.)
- jams/preserves (tend to be seasonal)
- specialty breads/bakery products
- wild/specialty mushrooms (i.e.: chanterelles) for the foodservice trade
- specialty produce (fingerling potatoes, purple carrots, yellow fleshed beets, etc.) for the foodservice trade.

4.0 Market Entry

4.1 Channels of Distribution:

Figure 1 illustrates the various pathways to reach the New England consumer of specialty foods. Originators of the food products can be the manufacturer, importer/exporter and the co-packer. Intermediate handlers include wholesalers, retail chain warehouses, distributors and foodservice distributors. The final sellers of product include non-traditional outlets (i.e.: mail order), retailers (both specialty and mass market) foodservice outlet (both chain and independents). Brokers and manufacturers' representatives interact with all segments (but do not take title of merchandise) except with the ultimate consumer. The ultimate consumer drives the trade activity and creates market pull through its changing tastes and trends. The large number of pathways to the consumer can be an advantage to the specialty food processors as each segment may represent a different opportunity.

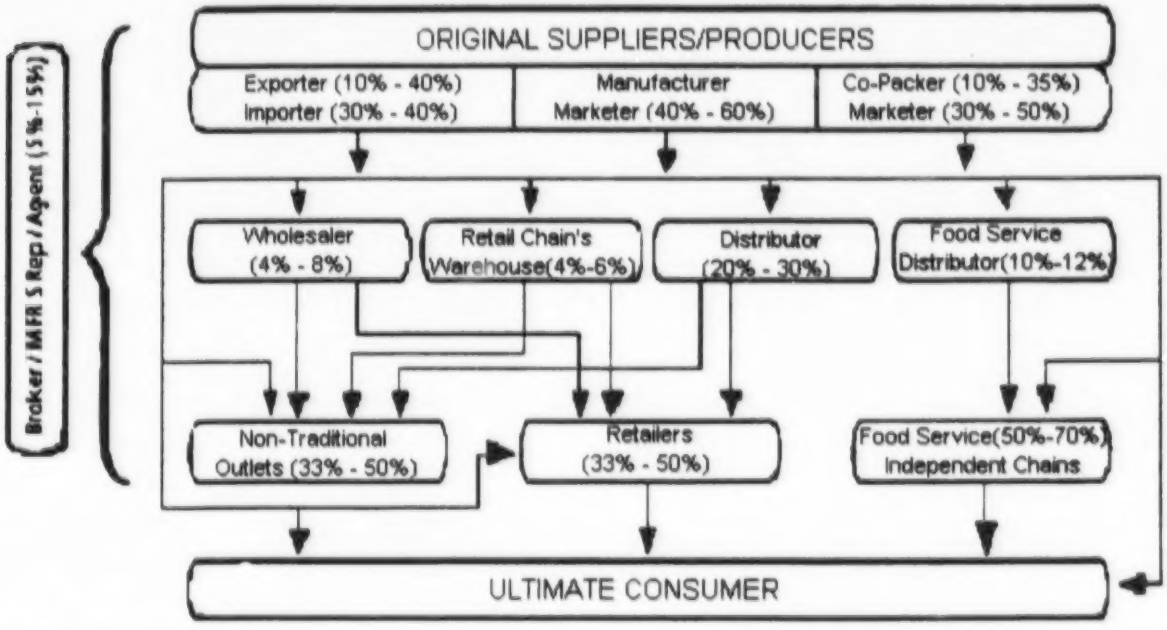
Fig. 1 Channels of Distribution in the Specialty Food Trade



Source: NASFT, 1999

The profitability of each trade segment varies considerably. Figure 2 shows the gross profit as a percentage of selling price for each trade segment described in Figure 1. Gross profit margin is defined as the difference in dollars between the cost of goods and the selling price. These numbers are estimates of broad ranges and there are frequent exceptions to these ranges.

Fig. 2 Gross Profit Margins As A Percentage of Selling Price



Source: NASFT, 1999 The Specialty Food Business: The Basics 1/99

Most suppliers sell through an intermediary such as a food broker or manufacturer's representative or directly to a distributor. A list of specialty food distributors serving the New England area is attached as Appendix B. There are many advantages to using a distributor such as providing a local presence in the market with a network of existing customers, but it does adds an additional price element. Using a broker or manufacturers' representative can be more cost-effective in penetrating a new market than hiring a sales force as they are paid on a commission basis. A list of specialty food brokers serving the New England area is attached as Appendix C. Direct selling is an option but can be time consuming, although conducive to building long term supplier/customer relationships. Although some retailers deal directly with suppliers, many prefer to deal with manufacturers' representatives or brokers as they can be exposed to several products through one appointment.

Dole & Bailey Specialty Food Distributor, Woburn, MA

4.1.1 Specialty Gourmet Shops:

Although these shops do not buy product in large volumes, collectively they represent a sizeable segment (estimated at 20-40% depending on category) of the specialty food business in New England.

These shops typically strive to differentiate themselves from the mass market (i.e.: supermarkets) by offering unique products, superior quality and service. They will often specialize in a particular item (exotic meats, tea). They also are reluctant to carry products that can be found in the gourmet section of supermarkets.

Clayton's Gourmet Market
Yarmouth, ME

With regard to volumes, they most often deal in cases and use courier services to receive product. They will usually source product through a combination of buying direct from suppliers or through manufacturers' representatives, brokers and distributors.

These shops cater to a very affluent clientele and, as such, product uniqueness and packaging is often of greater consideration than price.

4.1.2 Department Stores and Specialty Retail Chains:

A limited number of department stores in the New England area such as Filene's and Macy's, carry specialty food products. These stores are fashion oriented and typically carry a small number of product lines which is a reflection of their limited commitment to the specialty food category. Several specialty store chains in the area also carry specialty foods. Two of the more prominent stores include Crate and Barrel and Williams - Sonoma. These outlets typically deal in large volumes and usually source product through buyers or purchasers located in their corporate headquarters. Products lines are usually limited and sales are heavily oriented towards the fourth quarter of the year.

4.1.3 Supermarkets:

A national study conducted by the National Food Distributors Association indicates that supermarkets are the most significant retail outlet, in terms of volume, for most specialty food categories(see Table 1).

Table 1: Type of Retail Outlet Where Specialty Foods Are Purchased

Table 1: Type of Retail Outlet Where Specialty Foods Are Purchased				
Category	**Supermarket**	**Deli**	**Gourmet Shop**	**Other**
Coffee or Tea	61%	2%	34%	16%
Condiments	75%	7%	16%	9%
Jams & Jellies	57%	3%	24%	20%
Crackers & Cookies	81%	5%	12%	8%
Cheese	58%	24%	25%	8%
Chocolates	21%	1%	44%	40%
Deli Meats	54%	48%	6%	4%
Baked Goods & Desserts	47%	13%	28%	23%
Salads	48%	36%	16%	10%
Entrees	53%	21%	20%	12%

Source: National Food Distributors Association

Although figures aren't available for the New England region, supermarkets are estimated to sell similar volumes relative to the national numbers. The major grocery chains in New England include Stop & Shop, Shaw's Supermarkets, Star Market, Demoulas/Market Basket, Hannaford Bros. Co., Big Y Foods Inc., The Great A& P Co. and The Grand Union Company. Other smaller retail chains include Roche Brothers, Trader Joe's East Inc. and Bread and Circus/Whole Foods Market.

Most supermarket do have gourmet sections and, in the case of Roche Brothers and Bread and Circus, have a large diversity of gourmet food items.

HQ Trader Joe's East Inc.
Needham Heights, MA

These retailers are generally source products through distributors. Trader Joe's East Inc, however, is an exception as it prefers to deal directly with suppliers and has its own warehouse and distribution network in the New England area which services its 25 east coast stores.

It is important to consider that the mainstream, mass market supermarkets place heavy demands on suppliers to fund placement (slotting fees) and "pull" (advertising, sampling) off the shelf.

As noted in section 4.1.1, having product listed with supermarkets may make it more difficult to sell to the smaller gourmet retailers as this is often a point of differentiation for them. Many small gourmet shops tend not to carry a product that can be found in a supermarket.

4.1.4 Mail order/Internet:

The largest and most widely known New England company in this category is L.L. Bean Inc. of Freeport, Maine. L. L. Bean Inc. food programs are largely private label. The company operates three "packing houses" (two in Maine, one in Vermont) which receive and package product under its own brand. The company is constantly seeking out innovation and new and unique products for its food programs which are developed annually between August and October. Prospective suppliers are advised to approach the company in August with a letter of introduction and product literature only. Samples should only be submitted upon request.

L.L. Bean Inc. General Office
Freeport, ME

The three most highly valued characteristics that L.L. Bean Inc. looks for in potential vendors are **price, quality** and **service.** Although L.L. Bean Inc. does not have minimum order requirements, reliability in terms of ability to supply is also very critical.

The representative from L.L. Bean Inc. also indicated that the company is experiencing growing sales through the Internet.

There are a large number of smaller retailers that produce catalogues and sell through mail order. The Internet is growing in popularity as a means of selling specialty food products and gift baskets. Examples of New England companies selling specialty food products through the Internet, are listed in Appendix D.

4.1.5 Alternative

The Marche Movenpick which opened recently in the Prudential Centre in Boston is an example of an alternative or non-conventional channel of distribution. The Marche Movenpick is a restaurant chain which originated in Switzerland 50 years ago and established itself in the North American market with several stores in Toronto. It just recently expanded into the U.S. with the Boston store and has plans for additional stores in New York and Chicago. The restaurant mimics the atmosphere of an open air European market with a series of food stations offering a wide variety of home meal replacement options. The Marche Movenpick Boston is located on three floors and, at 36,000 sq. ft., is the city's largest restaurant. In addition to providing customers with restaurant fare, the store also carries a wide selection of gourmet products, including an extensive range of private label products. The restaurant caters to very heavy tourist traffic in the summer months. Although suppliers to Movenpick must be placed on a vendors list through the corporate office in Toronto, the local management of the store has some flexibility in sourcing product.

Marché Movenpick
Prudential Centre, Boston, MA

4.2 Product Differentiation

Company representatives that were interviewed stressed that the key to being successful in penetrating the New England specialty food market is to offer a product that has unique or uncommon characteristics from what is already available. Although quality, appealing packaging and price are also important factors, product uniqueness consistently ranked as the most important factor. This was particularly so with the small scale gourmet shops which cater to a very well educated and affluent clientele who are less price sensitive and are looking for new and interesting products. It will be challenging for a "me too" product to dislodge an existing product from the shelves of a small gourmet shop as many of these are very loyal to existing suppliers, especially if they are located in New England. Several retailers interviewed expressed a strong loyalty towards locally produced specialty products. One distributor suggested that one of the very first steps a potential Canadian supplier should address is the question "What makes you different?".

In this connection, the potential exporter should be aware that the New England region has a significant specialty food industry which produces a wide range of products often associated with Canada (cranberry salsa, blueberry vinegar, maple confectionary, etc) resulting in a very sophisticated and competitive market. Appendix D contains a list of websites from a select number of these specialty food processors from throughout New England.

4.3 Labeling:

The export of food products into the United States is subject to the provisions and regulations of the federal Food, Drug and Cosmetic Act. Under these regulations, all imported foods are subject to inspection by the United States Food and Drug and Administration (F.D.A.) at the time of entry into the U.S. Food labels must contain the following information in order to be in compliance with the F.D.A. regulations:

- Common or usual name of product;
- Name and address of the manufacturer, packer or distributor;
- Country of origin statement;
- Net quantity - in both metric and U.S. Customary System (ounces, pounds, fluid ounces);
- Ingredient statement by descending order of predominance (weight); and
- Nutritional labeling - except for bulk foods (e.g. foodservice) and small businesses*

Prior to shipping product for the first time, exporters may wish to seek an advisory opinion on labels from the F.D.A. Questions concerning compliance and regulations can be directed to the New England District office of the U.S. Food and Drug Administration in Stoneham, Massachusetts (Tel: 1-781-279-1675 ext. 123). The F.D.A.'s Food Labeling and Nutrition Guide can also be found on the Internet at **http://vm.cfsan.fda.gov/label.html** .

* Businesses that employ fewer than 100 employees and produce fewer than 100,000 units may apply for exemption from the requirement of including a "Nutrition Facts" panel on its food packages (see Appendix E) . It was noted that a significant number of products found in the small gourmet shops visited did not have nutritional labeling. However, many of the retailers and distributors interviewed indicated that, as the specialty food consumer is typically highly educated and health conscious, it is advantageous to have nutritional labeling on all products. Some of the

larger retailers, distributors and importers may also require nutritional labeling regardless of eligibility for FDA exemptions.

Businesses must apply for exemptions on an annual basis and may do so by contacting:

Office Of Food Labeling
Center for Food Safety and Applied Nutrition
Food and Drug Administration
200 C Street SW
Washington, DC
20024
Tel: 1-202-205-5229

4.4 Transportation/Distribution

The freight costs and logistics of distributing small shipments of product to the New England market was cited frequently as a potential issue impacting on competitiveness. It was generally accepted that, should freight and other costs (i.e.: warehousing) relating to getting products to the market exceed 15-20% of the value of the products, it would be very difficult to be competitive. Several of the smaller gourmet retailers indicated that they would also be hesitant to try to source product directly from Canada due to concerns relating to trade regulations and clearing customs. Several retailers indicated a preference to have product shipped to them from a point within the eastern U.S.A. Consolidation of shipments in Canada was suggested as a possible strategy for Canadian suppliers to employ in order to reduce freight cost. It should also be noted that many specialty food distributors and retailers have limited warehouse space, particularly refrigerated facilities.

4.5 Trade Shows

Exhibiting at trade shows can be an effective means of penetrating the New England market. The **Summer Fancy Food Show**, which occurs annually in July in New York City, was often cited as being a significant event that is attended by a large number of specialty food retailers, distributors and brokers from the New England area. This show is described as being an excellent venue for retailers and distributors to source new products. It typically features more than 1,200 American exhibitors, 800 foreign exhibitors and 40 International pavilions. It attracts 25,000 to 30,000 executives and buyers from every segment of the retail and foodservice trades - retailers, restauranteurs, brokers, wholesalers, importers and other distributors of gourmet, specialty and ethnic foods from more than 65 countries. It should also be noted that Agriculture and Agri-food Canada sponsors a Canadian Pavilion at the show. Participating in the Canadian Pavilion can provide additional profile and logistical support which can be particularly helpful to the first time exhibitor.

Canadian Pavilion at the
New York Fancy Food Show

Three Boston shows which also provide venues for exhibiting include the **Natural Gourmet Food Show,** held in May and the **Boston Gift Show** held in March and September and the **North East Fresh Food Alliance Show,** which is held in April.

The Natural Gourmet Food Show consists of approximately 200 exhibitors representing a variety of natural and organic food and beverage products. This show attracts approximately 3,000 buyers who purchase for specialty stores, supermarkets, warehouse clubs, restaurants, gourmet food store, mail order catalogs, health food stores, e-commerce and convenience stores.

The Boston Gift Show consists of approximately 570-600 exhibitors representing wide range of products including gourmet foods but also stationary, gift ware, crafts, jewelry and souvenirs. The show attracts buyers from department and specialty stores, gift shops, mail order/catalog, boutiques, import/export, craft shops and florists from throughout the northeast USA.

The North East Food Alliance Show is in its 20th year. It features manufacturers of organic, private label and specialty fresh foods in the bakery, dairy, delicatessen and meat categories. This show attracts senior level executives, buyers, category managers and supervisors from supermarkets chains, wholesalers, independent retailers, club and discount stores, specialty gourmet shops, distributors, caterers and foodservice providers.

For more information on these shows please refer to Appendix F.

4.6 Clearing U.S. Customs:

Under the North American Free Trade Agreement (NAFTA) and the World Trade Organization, Canada has free and open access to the U.S. Goods or products "originating" in Canada are duty free as of January 1998. However, trade in some products or those containing some ingredients such as sugar and dairy products may be restricted and subject to tariff quotas. If your products contain restricted products or ingredients not originating in Canada, it is advisable to consult with a customs broker to help identify your product's harmonized system (H.S.) classification which will determine applicable quotas and fees.

4.7 Volume and Quality Standards:

None of the representatives interviewed indicated that they had minimum order requirements. In fact, several indicated that they preferred small shipments due to limited storage space. Most of the smaller retailers deal mostly with cases delivered by courier service (i.e. UPS). The larger retailers (Trader Joe's East Inc.) and distributors (Millbrook and Dole & Bailey) deal with both cases and pallets.

With regard to quality standards, none of the companies had any mandatory standards that suppliers had to meet, although having an approved HACCP plan was viewed as being desirable by the larger companies such as L.L. Bean Inc.

5.0 Key Contacts:

Outlined below are some key contacts both in Canada and New England which should be helpful to exporters of specialty products to New England.

5.1 In Canada

Agri-food Trade Service (ATS)
Agriculture and Agni-food Canada
Contact the office in your region:
Newfoundland: 1-709-772-4063
New Brunswick: 1-506-452-3706
Prince Edward Island: 1-902-566-7315
Nova Scotia: 1-902-426-3198
Quebec: 1-514-283-8888
Ontario: 1-519-837-5821
Manitoba: 1-204-983-3032
Saskatchewan: 1-306-780-5545
Alberta & Territ.: 1-780-495-2119
British Columbia: 1-604-666-6344
website: **http://ats.agr.ca**

Canadian Association of Specialty Foods
21 Belvia Road
Etobicoke, Ontario
M8W 3R2
Tel: 1-905-761-9951
Fax: 1-905-761-9952
website: **www.cfta.ca/casf/casf.html**

Export Development Corporation (export insurance)
151 O'Connor Street
Ottawa, ON
K1A 1K3
Tel: 1-800-850-9626
Fax: 1-613-598-6697
website: **www.edc.ca/**

Canadian Food Inspection Agency
59 Camelot Drive
Nepean, Ontario
K1A 0Y9
Tel: 1-613-225-2342
Fax: 1-613-228-6653
website: **www.cfia-acia.agr.ca**

5.2 In New England/United States

Canadian Consulate General
3 Copley Place
Suite 400
Boston, MA.
02116
Tel: 1-617-262-3760
Fax: 1-617-262-3415
web: **www.dfait-maeci.gc.ca/~boston**

U.S. Food and Drug Administration (labeling)
New England District Office
1 Montvale Ave.,
Stoneham, MA.
02180
Tel: 1-781-279-1675
Fax: 1-781-279-1733
web: **www.fda.gov/**

U.S. Customs Service
(U.S. Department of the Treasury)
Port of Boston
10 Causeway Street
Suite 603
Boston, MA.
22220
Tel: 1-617-565-6147
Fax: 1-617-565-6137
web: **www.customs.treas.gov/**

National Food Distributors Association
401 North Michigan Ave.
Chicago, IL
60611-4267
Tel: 1-312-644-6610
Fax: 1-312-321-6869
web: **www.specialtyfoods.org/**

National Association For The Specialty Food Trade, Inc.
120 Wall St., 27th Floor
New York, NY
10005-4001
Tel: 1-212-482-6440
Fax: 1-212-482-6459
Web:
www.fancyfoodshows.com/nasftinfo.html

National Association of Specialty Food Brokers
One Central Avenue.
Tarrytown, New York
10591
Tel: 1-914-332-1414
Fax: 1-914-332-4882

APPENDIX A

STUDY CONTACT LIST

Baron Associates
(Manufacturers' Representative)
Mr. William (Bill) Baron
15 Locksley Road
Lynnfield, MA.
01940
Tel: 1-781-334-2978
Fax: 1-781-3343622
Baron Associates is a manufacturer's representative which specializes in shelf stable gourmet foods for the retail market (not mass market outlets). The company presently carries 60 product lines and has six sales representatives throughout the New England area.

Specialty Foods Boston
34 Allen Street
Somerville, MA.
02143
Tel: 1-617-623-3300
Fax: 1-617-623-5444
Specialty Foods Boston is a specialty meat and produce distributor that serves high end Boston area restaurants and hotels exclusively. The company prefers to deal with small companies and small orders.

Dole & Bailey, Inc.
16 Conn St.
P.O. Box 2405
Woburn, MA.
01888
Tel: 1-781-935-1234
Fax: 1-781-933-9953
Dole and Bailey is a ISO 9002 certified foodservice distributor which services the high-end HRI segment within the Boston area. Meat products constitutes approximately 60% percent of the company's sales but its gourmet/specialty foods division is experiencing growth and presently make up 20% of total sales.

Gourmet America
350 Lincoln St.
Hingham, MA.
02043
Tel: 1-781-749-3140
Fax: 1-781-749-3140
Gourmet America is a master importer with a network of 300 wholesalers and specialty food distributors who serve both the foodservice and retail markets. The company imports high end specialty products and then creates its own brands and packaging. Examples from the range of products carried by Gourmet America include mustards, biscuits, pastas, oils, rice, vinegars, sauces, mushrooms, pickles, berries and soups.

Gourmet News
106 Lafayette St.
P.O. Box 1056
Yarmouth, ME
04096
Tel: 1-207-846-0600 ext. 240
Fax: 1-207-846-0657
A Publication which describes itself as "The Business newspaper for the gourmet industry."

The Country Club
P.O. Box 619
Brookline Village, MA.
02447
Tel: 1-617-566-0244
Fax: 1-617-566-4301
A Boston area golf and country club which caters to special events.

Trader Joe's East Inc.
938R Highland Ave.
P.O. Box 589
Needham Heights, MA.
02494
Tel: 1-781-433-0182 ext. 110
Fax: 1-781-433-0748
web: www.traderjoes.com
Trader Joe's East Inc. is a discount retail chain based on the west coast and has 25 stores throughout the northeast. The company specializes in unique products. Its price structure is below the mainline supermarkets and is considered to be a discount store. Private label products comprise 85-90% of its inventory.

Cardullo's Gourmet Shoppe
6 Brattle St.
Cambridge, MA.
02138
Tel: 1-617-491-8888
Fax: 1-617-876-5066
web: www.cardullos.com
Cardullo's is a specialty food shop located in the heart of Cambridge and carries 6,000 items. It specializes in teas from throughout the world. In terms of other products, Cardullo's deals with exclusivity and carries items that are difficult to find elsewhere. The store carries a variety of jams/preserves, cheeses, vinaigrettes, biscuits, confectionary, wines and spirits, spices and condiments from all over the world. The store's clientele is very affluent and educated.

Wickford Gourmet Foods
21 W. Main St
Wickford, R.I.
02852
Tel: 1-401-295-8190
Fax: 1-401-294-1422
web: www.wgf.com
A family owned specialty food retail outlet specializing in customized gift baskets.

Millbrook Distribution Services Inc.
88 Huntoon Memorial Highway
P.O. Box 35
Leicester, MA.
01524
Tel: 1-508-892-8171 ext. 4444
Fax: 1-508-892-1874
This specialty food distributor serves the retail market and presently carries 10,000 items. It operates in 42 states. Some its clientele include Food Lion, Super Kmart, Stop N Shop, Demoulas, Shaw's, Star Market, Hannaford Bros. and TOPS.

Seaport Hotel
164 Northern Avenue
Suite 301
Boston, MA.
02210
Tel: 1-617-385-5613
Fax: 1-617-385-5299
A 426 room facility with a gourmet restaurant located adjacent to the World Trade Centre.

L.L. Bean Inc.
Casco St.
Freeport, ME.
04033
Tel: 1-207-552-2217
Fax: 1-207-552-2802
web: www.llbean.com/
Mail order company specializing in outdoor/sporting wear but also operates a specialty food program. The larger food programs are private label.

Duckworth Lane
1657 Beacon Street
Brookline, MA.
Tel: 1-617-730-8040
1-781-925-0673
Fax: 1-617-232-5637
A bistro type restaurant serving high end natural, specialty food products.

Marche Movenpick
The Prudential Centre
800 Boylston Street, Suite 001
Boston, MA.
02199
Tel: 1-617-578-9700
Fax: 1-617-578-9886
web: www.marcheusa.com/index2.htm
This is a relatively new restaurant located in The Prudential Centre in downtown Boston. It is part of a chain which originated in Switzerland over 50 years ago. It's North American headquarters are located in Toronto and has strong associations with Loblaws. The restaurant concept mimics a European market with several food stations but also contains a specialty food retail outlet. The company carries a large number of private label products. Due to its location, the restaurant also caters to heavy tourist traffic.

Savenor's Market
160 Charles St.
Boston, MA.
02114
Tel: 1-617-723-6328
Savenor's Market is a family owned gourmet retail shop located in the Beacon Hill district of Boston. Although it is famous for its exotic specialty meats (rattlesnake, giraffe, kangaroo) it does carry 4,000 gourmet food items from throughout the world. As with Cardullo's, Savenor's Market specializes in high quality products which are not readily available but sought by a very affluent clientele. The company also carries products for seasonal promotions.

APPENDIX B

SPECIALTY FOOD DISTRIBUTORS IN NEW ENGLAND

John Accardi & Sons
85 Commercial St.
Medford, MA
02155-4923
Tel: (781)391-2400

Aleks Distributing Co. Inc.
200 Shaker Rd.
East Longmeadow, MA
01028-2733
Tel: (413)525-3311

Associated Grocers of N.E. Inc.
725 Gold St.
Manchester, NH
03103-4031
Tel: (603)669-3250

Bonacorsi & Sons Inc.
16 Prospect St.
Barre, VT
05641-4830
Tel: (802)479-0109

Bozzuto's Inc.
275 Schoolhouse Rd.
Cheshire, CT
06410-1257
Tel: (203)272-3511

Henry Bresky & Sons
1859 State St.
Bridgeport, CT
06605-2226
Tel: (203)335-5114

Calise & Sons Bakery Inc.
10 Rosario Dr.
Providence, RI
02909-5402
Tel: (401)943-1110

Cara Donna Provision Corp.
55 Food Mart Rd.
Boston, MA
02118-2801
Tel: (617)268-0346

Chex Finer Foods
39 Franklin R McKay Rd. #Z
Attleboro, MA
02703-4694
Tel: (508)226-0660

Costa Fruit & Produce Co. Inc.
18 Bunker Hill Ind. Park
Charlestown, MA
02129
Tel: (617)241-8007

County Distributors Inc.
1510 Route 5
South Windsor, CT
06074-1025
Tel: (860)289-2767

Davidson Corporation
30 Fieldstone Ct.
Cheshire, CT
06410-1212
Tel: (203)250-1911

DiLeo Bros. Inc.
23 Commercial St.
Waterbury, CT
06702-1002
Tel: (203)759-3600

Dole & Bailey
16 Kahn Street
P.O. Box 2405
Woburn, MA
01801
Tel: (781)935-1234

Ferri Bros. Foods
59 Hemlock St.
Providence, RI
02908-5607
Tel: (401)274-9163

Henry Gonsalves Co.
35 Thurber Blvd.
Smithville, RI
02917-1838
Tel: (401)231-6700

Greylawn Foods
999 Pontiac Ave.
Cranston, RI
02920-7974
Tel: (401)467-5400

Hannaford Bros. Co.
145 Pleasant Hill Rd.
Scarborough, ME
04074-9309
Tel: (207) 883-2911

Hartford Provision Co./HPC Foodservice
205 Enterprise Dr.
Bristol, CT
06010-8410
Tel: (860)583-3908

Hartford Snack Distributors
80 Meadow St.
Hartford, CT
06114-1505
Tel: (860)296-5621

John Hayes & Sons
30 Potuccos Ring Rd.
Wolcott, CT
06716-2414
Tel: (203)879-4616

Hub Food Corp.
650 Eastern Ave.
Malden, MA
02148-5923
Tel: (781)397-2500

Imported Foods Corp.
27 H. St.
S. Boston, MA
02127-1447
Tel: (617)482-8496

International Importing Co.
47 Rathbone St.
Providence, RI
02908-5610
Tel: (401)331-6506

J & D Import Co.
199 Norfolk Ave.
Roxbury, MA
02119-3025
Tel: (617)445-2000

Jar Bakers Supplies Inc.
12 Crow Point Rd.
Lincoln, RI
02865-3259
Tel: (401)725-9660

Charlie Johnson Grocery Corp.
125 Union St.
Everett, MA
02149-4803
Tel: (617)387-0555

Lbg. Distributors Inc.
1190 Sherman Ave.
Hamden, CT
06514-1300
Tel: (203)248-1600

Millbrook Distribution Services
88 Huntoon Memorial Hwy.
Leicester, MA
01524
Tel: (508)892-8171

Montello Baking Co.
23 Bellevue Ave.
Brockton, MA
02302-1722
Tel: (508)588-6765

New England Pretzel & Popcorn
55 Bay State Rd.
Lawrence, MA
01841-4701
Tel: (978)687-0342

Newport Specialty Foods
64 Hasley St. #20
Newport, RI
02840-1348
Tel: (401)849-1544

Nikol Foods Inc.
85 Webster St.
Pawtucket, RI
02861-1015
Tel: (401)724-7810

North Country Wholesale
40 Old West Side Rd.
North Conway, NH
03860-5913
Tel: (603)356-3191

Oxford Trading Co. Inc.
35 Perwal St.
Westwood, MA
02090-1920
Tel: (781)320-3232

Pastene Companies Ltd.
275 Turnpike St.
Canton, MA
02021-2357
Tel: (781)487-9400

Patriot Snacks
7 Perry Drive
Foxboro, MA
02035-1024
Tel: (508)575-0500

Pine State Trading Co.
8 Ellis Avenue
Augusta, ME
04330-7106
Tel: (207)622-3741

Prime Poultry Corp.
24 Chesterton ST.
Roxbury, MA
02119-2994
Tel: (617)442-0707

SWB New England Inc.
35 Turnpike St.
West Bridgewater, MA
02379-1081
Tel: (617)787-5020

Seacrest Foods International Inc.
20 New St.
East Boston, MA
02128-2316
Tel: (617)569-3577

Jack Smillie Inc.
15 Linscott Rd.
Woburn, MA
01801-2001
Tel: (781)935-1000

Specialty Foods Boston, Inc.
34 Allen Street
Somerville, MA
02143
Tel: (617) 623-3300

Star Markets Company Inc.
625 Mt Auburn St.
Cambridge, MA
02138
Tel: (617)661-2200

Stow Mills
71 Stow Dr.
Chesterfield, NH
03443
Tel: (603)256-3000

Sun Sun Corp.
18 Oxford St.
Boston, MA
02111-2097
Tel: (617)426-6494

Supervalu Distribution Centre
340 Ballardvale St.
Andover, MA
01810-5991
Tel: (978)470-9072

TBI Corporation
700 E Industrial Park Dr.
Manchester, NH
03109-5622
Tel: (603)668-6223

United Natural Foods
260 Lake Rd.
Dayville, CT
06241-1548
Tel: (860)779-2800

Vermont Snacks Inc.
4 Avenue C
Williston, VT
05495-9739
Tel: (802)864-7776

Wohrle's Food Inc.
1619 East St.
Pittsfield, MA
01201-3857
Tel: (413)442-1518

Weathervane Foods
15 Linscott Road
Woburn, MA
01801
Tel: (617) 935-5458

Sid Wainer and Son Specialty Produce and Specialty Foods
New Bedford, MA.
02746
Tel: (800)423-8333

APPENDIX C

NEW ENGLAND SPECIALTY FOOD BROKERS

Company Name & Address	Phone and Fax Numbers	Contacts	Customers & Coverage
CS Brokers 151 Platt Lane Milford, CT 06460	Phone: 203-878-7788 Fax: 203-877-6649	*Cyrus Settineri*	*Customers: RT- SD-FS -DR-HF **Coverage: MA, CT, RI, ME, VT, NH
DE Michele Associates P.O. Box 2820 Worchester, MA 01613	Phone: 508-755-9854	*James De Michele, President*	Customers: RT-SD-FS-DR-HF Coverage: MA, ME, NH, CT, RI, VT
Frank D'Orlando Co. 27 Curve St. Box 473 Needham, MA 02192	Phone: 617-444-7604 Fax: 617-444-7607	*Frank A. D'Orlando*	Customers: RT-SD-GD-DG-FS-DR Coverage: MA, CT, NH, VT, RI, ME
Hartley S. Johnson & Son, Inc. 50 Beharrell Street - Box 1311 West Concord, MA 01742	Phone: 508-369-4190 Fax: 508-369-7972	*Elliot Johnson, President*	Customers: RT-SD-GD-DG-FS-PL-HF Coverage: MA, CT, RI, ME, VT, NH
The Matrix Marketing Group 187 Broad Street Bloomfield, NJ 07003	Phone: 201-680-9411 Fax: 201-680-9743	*Ray Wolfson*	Customers: SD-GD-FS-PL-HF Coverage: NJ, NY, PA, DE, MD, DC, VA, ME, NH, VT, MA, RI, CT

*Customers: RT - retail, SD - Specialty Distributor, DG – Direct Grocery, FS - Foodservice, PL - Private label, HF - Health Food Trade, DR - Drug Trade, M - Military, WC - Warehouse Clubs, MO - Mail Order

**Coverage: CT - Connecticut, DC - District of Columbia, DE - Delaware, MA - Massachusetts, MD - Maryland, ME - Maine, NH - New Hampshire, NJ - New Jersey, NY - New York, PA - Pennsylvania, RI - Rhode Island, VA - Virginia, VT - Vermont

Source: National Association of Specialty Food Brokers

APPENDIX D

WEBSITES OF NEW ENGLAND SPECIALTY FOOD SUPPLIERS/ RETAILERS

Company Name/Associations	Product description	Web site
NEW ENGLAND		
Pure New England	a commercial site specializing in products made in New England	www.purenewengland.com
Food New England	"The best of regional gourmet and ethnic foods"	www.foodne.com
Gourmet Food Association of the Internet	a commercial web site featuring specialty foods from New England and through-out the world	www.gourmetassoc.com
Abbington Village's Farmers Market and General Store	contains links to many New England specialty food markets.	www.abbington.com/farmers.html
Vermont To Go New Hampshire To Go	Vermont & New Hampshire specialty products	www.vermonttogo.com
MAINE		
Kal's Foods Gorham, Maine	specialty gourmet condiments	www.kalmaine.com
Stonewall Kitchen York, Maine	maker of jams, jellies, marmalades, sauces, mustards, relishes, chutney, etc.	www.stonewallkitchen.com
Maine Lobster Shop	Maine lobsters and unique Maine products	www.mainelobstershop.com
Maine Gourmet & Specialty Foods	a cooperative web site featuring many specialty food companies from Maine	www.mainefoods.org
NEW HAMPSHIRE		
Basket Haus Londonderry, NH	gourmet foods, gift baskets and sweets	www.baskethaus.com
Gift In A Basket Nashua, NH	specialty food and gift items	www.giftinabasket.com
Chutter General Store Littleton, NH	penny candy, gift baskets and maple products (some Canadian products)	www.chutter.com/welcome.html

Company Name/Associations	Product description	Web site
New Hampshire (continued)		
New England Delights Barrington, NH	distinctive foods with the traditional flavour of New England	www.nedelights.com
Northern Exposure Specialty Foods & Gifts Lincoln, NH	custom gift baskets (including some Canadian)	www.nespecialtyfoods.com/index2.html
MASSACHUSETTS		
The Massachusetts Specialty Foods Association	"A taste of Massachusetts" gift baskets	www.massgrown.org/farms_products/gourmet_baskets.htm
Diamond Crystal Specialty Foods, Inc. Wilmington, MA	nutritional products, packets & shakers, drink & dessert mixes, soups, sauces & gravies, etc.	www.diamondcrystal.com
VERMONT		
Redberry Specialty Foods, Inc. Saint Johnsbury, VT	specializes in fruit toppings but carries a wide range of Vermont made specialty items	www.redberryfoods.com/toppings.htm
Vermont Specialty Food Association		www.state.vt.us/agric/VSFA/index.html
Harrington's of Vermont Richmond, VT	smoked meat, cheeses, maple syrup and condiments	www.harringtonham.com/index.html
Uncle Dave's Kitchen, Vermont Specialty Foods South Londonderry, VT	specializes in the development of natural foods - like gourmet but with no 'junky preservatives'	www.uncledaves.com
Vermont Only Mile Square, VT	maple syrup, unique gift baskets and gourmet food	www.vtonly.com
RHODE ISLAND		
Wickford Gourmet Foods Wickford, RI	gift baskets	www.wgf.com

APPENDIX E

U.S. Food and Drug Administration
Center for Food Safety and Applied Nutrition
June 19, 1996

SMALL BUSINESS FOOD LABELING EXEMPTION

Under 21 CFR 101.9(j)(1), a business may be exempt from the requirement of including a "Nutrition Facts" panel on its food packages. This exemption is based on number of employees and number of product units sold. This exemption deals only with the necessity of having the "Nutrition Facts" panel, and has no effect on the mandatory labeling information (i.e., common name of product, net contents, ingredient statement, name and address of responsible firm).

Currently, the exception applies to businesses with fewer than 100 employees and products fewer than 100,000 units. No exemption may be taken if a company has more than the number of employees listed regardless of number of units produced.

The exception also applies to retailers with annual gross sales of less than $500,000, or with annual gross sales of food to consumers of less than $50,000.

The number of employees is based on the average number of full time equivalent employees.

A "product" is a food with the same brand name and statement of identity.

A "unit" is a package or, if unpacked, the form in which the product is offered for sale.

"Company" includes domestic and international affiliates.

If any nutrient content claim (e.g., "low fat") or health claim is made, this exemption is not applicable.

Businesses must file an annual notice with FDA that they are claiming an exemption based on number of employees and units of product.

A suggested format for this notice is on reverse side of the page.

Sample Format

Send to:

Office of Food Labeling (HFS-150)
Center for Food Safety and Applied Nutrition
Food and Drug Administration
200 C St. SW. Washington, DC 20204

1. Name of Firm: Enter recognized legal name of firm.

2. Firm Address: Enter mailing address for principal place of business.

3. Name of the food product for which exemption is claimed. Enter the name of each food product for which an exemption is claimed. Continuation sheets may be used if necessary.

4. Name and address of manufacturer: Provide the names and addresses of the manufacturers of the food products for which an exemption is being claimed if they are different than the firm that is submitting the claim for exemption.

5. Number of Full-Time Equivalent Employees: Enter the approximate average number of persons employed by the firm for the year preceding the year for which an exemption is being claimed

_____ (Average number of Full-Time Equivalent Employees)
_____ (One year time period - From/To)

6. Approximate Total Number of Product Units of each product sold in the United States for which the "Nutrition Facts" panel exemption is being claimed. One year time period is the same as in #5, above.(Use continuation sheets as necessary)

Product Description	No. of Units
_____	_____
_____	_____
_____	_____

The undersigned certifies that the above information is a true and accurate representation of the operations of

(name of Firm)_____

The undersigned will notify the Office of Food Labeling of the date on which the average number of full-time equivalent employees or the number of units of food products sold in the United States exceeds the applicable number for the exemption which is being claimed herein.

(Signature)_____

7. Certification. The request for exemption is to be signed by a responsible individual for the firm that can certify the authenticity of the information presented on the request. The individual signing the request will commit to notify the Office of Food Labeling when the numbers of full-time equivalent employees or total numbers of units of product sold in the United States exceed the applicable numbers for an exemption.

APPENDIX F

TRADE SHOWS

New York Summer Fancy Food Show
National Association for the Specialty Food Trade, Inc.
120 Wall Street
New York, NY. 10005
Tel: (212) 482-6440
Fax: (212) 482-6459
web: **www.fancyfoodshows.com**

Canadian Pavilion:
Mr. Brian Sundue
Agriculture and Agni-food Canada
Market and Industry Services Branch
International Markets Bureau
Sir John Carling Building
Ottawa, Ontario K1A 0C5
Tel: 613-759-7712
web: **http://ats.agr.ca/public/htmldocs/e0009.htm**

Boston Gift Show
George Little Management, Inc.
10 Bank Street,
White Plains, NY. 10606
Tel: 1-914-421-3200
Fax: 1-914-948-6180
web: **www.glmshows.com/giftshows/bgs/bgs.htm**

Natural Gourmet Food Show
Reuter Exhibition Services
33 Flax Mill Road
Branford, Ct. 06405
Tel: 1-203-483-5778
Fax: 1-203-483-5774
web: **www.reuterexpo.com**

NEFFA Annual Conference & Exposition
North East Fresh Food Alliance
20 Scanlon Drive, 2nd Floor
Randolph, MA. 02368
Tel: 1-781-963-9726
Fax: 1-781-963-9728
web: **www.neffa.com**